



# Second Quarter Fiscal Year 2022 Earnings Presentation

August 22, 2022

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## Legal Disclaimer

### Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "anticipate," "believe," "seek," "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, those related to the Company's ability to scale and grow its business, source clean and renewable energy, the advantages and expected growth of the Company, future estimates of revenue, net income, adjusted EBITDA, liquidity and cash flow, and availability of capital, future estimates of computing capacity and operating power, future demand for hosting capacity, future estimate of hashrate (including mix of self-mining and hosting), operating gigawatts and power, future projects in construction or negotiation and future expectations of operation location, orders for miners and critical infrastructure, future estimates of self-mining capacity, the public float of the Company's shares, future infrastructure additions and their operational capacity, and operating power and site features of the Company's operations center in Denton, Texas. These statements are provided for illustrative purposes only and are based on various assumptions and on the current expectations of the Company's management. These forward-looking statements are not intended to serve, and must not be relied on by any investor, as a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. These forward-looking statements are subject to a number of risks and uncertainties, including those identified in the Company's reports filed with the U.S. Securities and Exchange Commission ("SEC") from time to time, including the Company's definitive proxy statement filed with the SEC on January 3, 2022, and other subsequent filings the Company files with the SEC from time to time, including its Annual Report on Form 10-K for the year ended December 31, 2021, and Current Report on Form 8-K filed on January 24, 2022, and Quarterly Report on Form 10-Q for the second quarter ended June 30, 2022, to be filed with the SEC by August 22, 2022. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Accordingly, undue reliance should not be placed upon the forward-looking statements. Except as required by law, the Company assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Year over year comparisons are based on the combined results of Core Scientific and its acquired entities.

### Non-GAAP Financial Measures

This presentation also contains non-GAAP financial measures as defined by the SEC rules, including Adjusted EBITDA and adjusted earnings (loss) per diluted share. The Company believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company's management uses certain of these non-GAAP measures to compare the Company's performance to that of prior periods for trend analyses and for budgeting and planning purposes. The Company urges investors not to rely on any single financial measure to evaluate its business.

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## Core Scientific Snapshot

Digital Asset Self-Mining | Colocation Services | Blockchain Technology

Nasdaq:  
**CORZ**

**\$164.0M**

Second Quarter 2022  
Revenue

+/- Year End  
**300,000**  
Servers

Expected 2022 Fleet Size

**\$(810.5)M**

Second Quarter 2022 Net  
Loss Driven Primarily by  
Goodwill and other  
intangibles Impairment

+/- Year End  
**31 EH/s**

Expected 2022 Hashrate<sup>1</sup>

**\$59.1M**

Second Quarter 2022  
Adjusted EBITDA

+/- Year End  
**1 GW**

Expected 2022 Power

<sup>1</sup> Represents midpoint of 30 EH/s to 32 EH/s guidance range for 2022E performance

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## Second Quarter 2022 Performance Summary

Metric (dollars in millions except per share amounts)	Second Quarter 2022	Notes
<b>Total ending hashrate</b>	17.9 EH/s	10% increase from 3/31/22 (16.2 EH/s)
<b>Bitcoins produced</b>	3,365	Increased from 3,202 bitcoins in first quarter
<b>Bitcoins held</b>	1,959	\$40.7 million carrying value as of 6/30/22, including effect of accounting impairment
<b>Revenue</b>	\$164.0	118% increase over prior year
<b>Net loss</b>	\$(810.5)	\$807.1 million increase in loss over prior year
<b>Adjusted EBITDA <sup>1</sup></b>	\$59.1	185% increase over prior year
<b>Loss per diluted share</b>	\$(2.49)	—
<b>Adjusted earnings per diluted share <sup>2</sup></b>	\$0.18	38% increase over prior year

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. See slide 19 for a reconciliation of adjusted EBITDA to its most comparable GAAP figure.

<sup>2</sup> Adjusted earnings per diluted share is a non-GAAP financial measure. See slide 20 for a reconciliation of adjusted earnings (loss) per diluted share to its most comparable GAAP figure.

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## Core Scientific Mined More Bitcoins in the First Half of 2022 than Any Other Listed Digital Asset Miner



Sources - BTC mined from monthly update press releases

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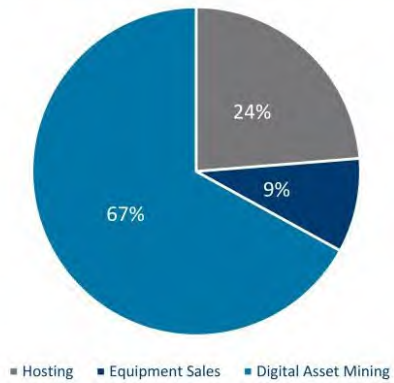
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## Digital Asset Mining Revenue Represented 67% of Second Quarter Revenue and Grew 10x Year-Over-Year

**Second Quarter 2022 Revenue Mix**

(Unaudited)



**Second Quarter Revenue by Segment**

(In Millions, Unaudited)



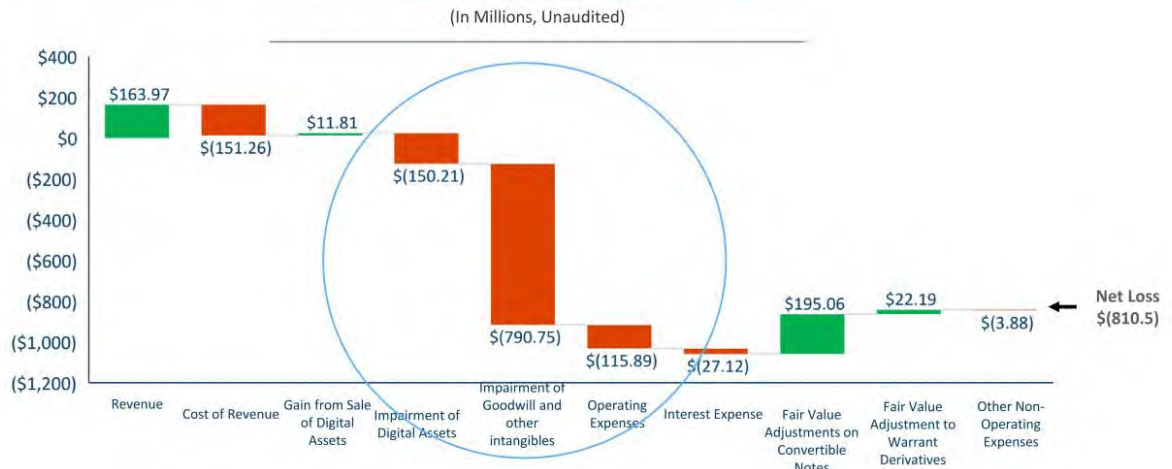
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## Second Quarter Net Loss Driven Primarily by \$790.8 Million Goodwill and Other Intangibles Impairment

### SECOND QUARTER 2022 LOSS DRIVERS

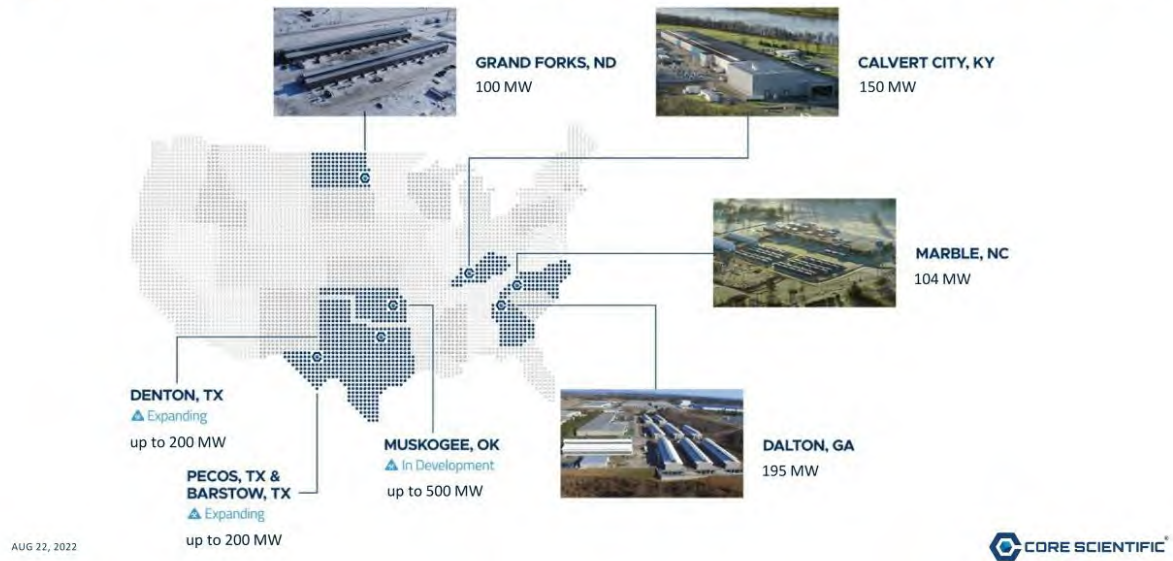


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## Developed and Manage Data Centers Totaling Approximately 800,000 Square Feet Across Five States



## Continued Progress on Three Texas Data Center Projects



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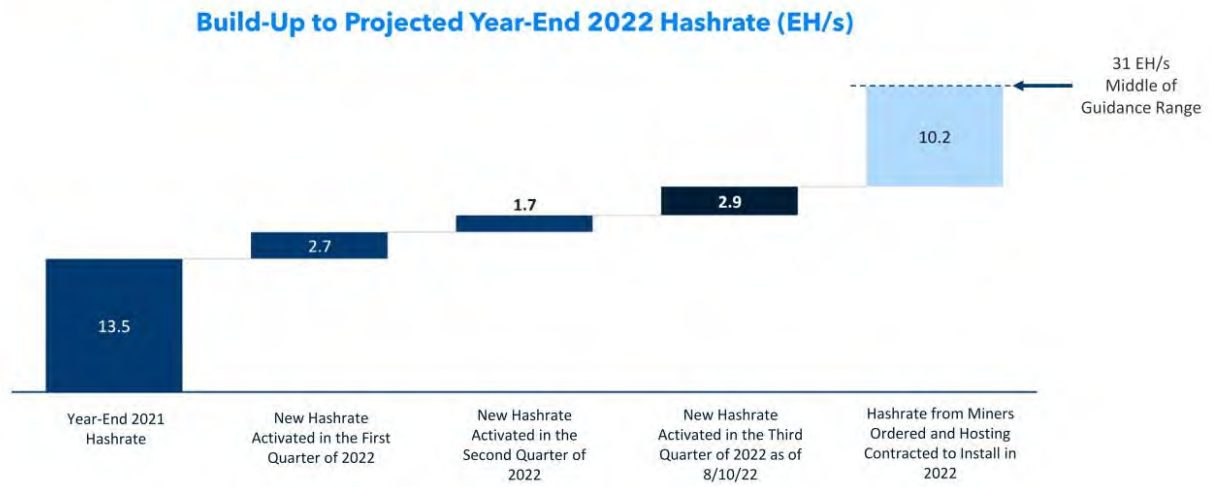


## Expectations for Fiscal Year 2022

Metric	2021 Results	2022 Expectations
Hashrate	13.5 EH/s	30 to 32 EH/s
Power	450+ MW	Approximately 1 GW



## Visibility toward 2022 Hashrate Goal

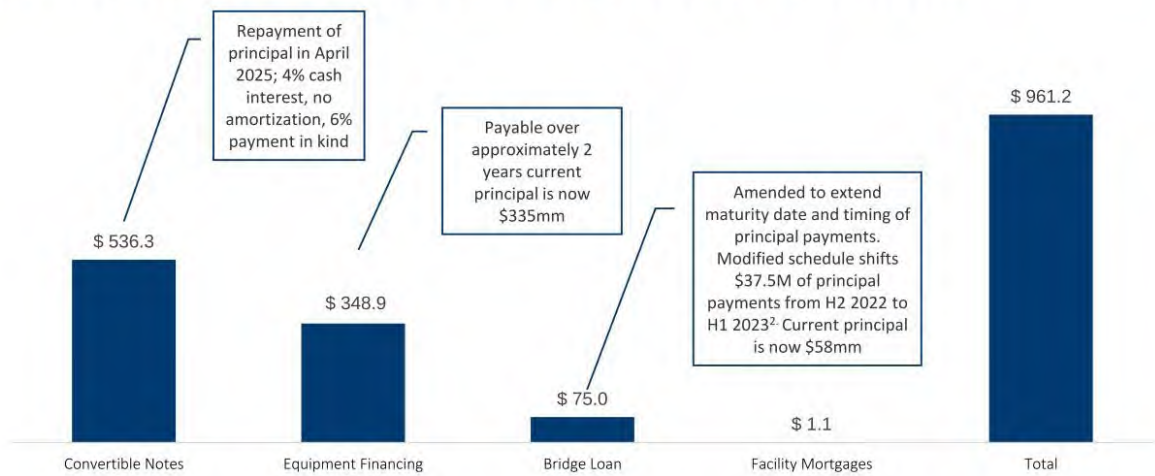


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## Total Debt of ~\$1 Billion<sup>1</sup> Being Restructured to Improve Cash Flow in the Second Half of 2022 (in millions)



<sup>1</sup> Does not include \$190,273k Fair Value Adjustment on Convertible Notes or \$(4,214)k Unamortized Discount and Debt Issuance Costs

<sup>2</sup> Note, under the terms of the amendment, 25% of any ELOC proceeds will be applied to principal amortization of the Bridge Notes with the payments applied in reverse chronological order beginning with the 6/1/2023 payment

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## Self-Mining Economics: Year-to-Date Second Quarter Cash (Cost) to Mine a Bitcoin

		Year-to-Date Q2 2022	
Cash to Mine a BTC <sup>1</sup>		Total Cost (thousands)	Per BTC
	Power Costs	\$ 55,500	\$ 8,500
	Operational Costs <sup>2</sup>	11,400	1,700
	Cash to Mine a BTC	\$ 66,850	\$ 10,200

Total Costs / 6,567 BTC

<sup>1</sup> Produced 6,567 Bitcoins during Q1 and Q2 2022 at an average BTC price of ~\$37.0K

<sup>2</sup> Includes personnel and related costs, software, telecommunications, security, etc. Amount excludes stock-based compensation and depreciation.

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## Why Core Scientific?

 <b>A MARKET LEADER</b>  A Blockchain Data Center Developer and Operator at Leading Scale	 <b>FULL SPECTRUM</b>  Integrated Data Centers for Self-Mining and Hosting	 <b>TRACK RECORD</b>  Consistent Growth in Capacity and Capability	 <b>TEAM</b>  Deep, Experienced Team	 <b>IP</b>  Proprietary Technology
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## 2022 Selected Quarterly Results

(Thousands)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD Fiscal Year 2022	Full Fiscal Year 2021
	Unaudited				Unaudited	
<b>Revenue</b>	\$192,519	\$163,972	-	-	<b>\$356,491</b>	<b>\$544,483</b>
<b>Cost of Revenue</b>	122,516	151,255	-	-	273,771	<b>305,621</b>
<b>Gross Profit</b>	70,003	12,717			82,720	<b>238,862</b>
<b>Research and Development</b>	3,340	14,773	-	-	18,113	<b>7,674</b>
<b>Sales, Marketing, G&amp;A</b>	41,558	101,112	-	-	142,670	<b>64,666</b>
<b>Operating (Loss) Income</b>	(26,717)	(1,045,383)			(1,072,100)	<b>131,494</b>
<b>Net (Loss) Income</b>	(466,204)	(810,475)	-	-	(1,276,679)	<b>47,312</b>
<b>Adjusted EBITDA <sup>1</sup></b>	93,041	59,111	-	-	152,152	<b>238,940</b>
<b>Adjusted EBITDA Margin</b>	48.3%	36.0%	-	-	<b>42.7%</b>	<b>43.9%</b>

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure. See slide slide #19 for a reconciliation of adjusted EBITDA to its most comparable GAAP figure.

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Unaudited

	Quarter Ended						Change
	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	Y/Y
Hosting Hash Rate (EOP)	7.6	7.9	7.0	4.6	5.0	3.2	52%
Self-Mining Hash Rate (EOP)	10.3	8.3	6.7	2.7	0.5	0.4	NM
Total Hash Rate (EOP)	17.9	16.2	13.7	7.3	5.5	3.6	227%
Network Hash Rate (EOP)	214.6	201.8	168.2	140.2	89.0	164.9	141%
Core Share of Network	8%	8%	8%	5%	6%	2%	36%
# of BTC Mined	3,365	3,202	2,498	1,588	928	753	263%
Number of BTC Hosted Miners ('000)	79	82	74	56	61	47	29%
Number of BTC Self-Miners ('000)	103	82	67	29	5	4	NM
Total BTC Miners est. ('000)	182	164	141	85	66	51	177%

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## Key Financial and Operating Metrics



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Unaudited (\$ Millions)	Quarter Ended						Change Y/Y
	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	
Hosting Revenue	\$38.9	\$33.2	\$27.6	\$20.5	\$18.6	\$12.7	110%
Equipment Sales	\$15.2	\$26.3	\$134.8	\$35.5	\$46.0	\$31.9	-67%
Digital Asset Mining	\$109.8	\$133.0	\$139.4	\$57.1	\$10.8	\$9.6	920%
<b>Total Revenue</b>	<b>\$164.0</b>	<b>\$192.5</b>	<b>\$301.8</b>	<b>\$113.1</b>	<b>\$75.3</b>	<b>\$54.2</b>	<b>118%</b>
Cost of Revenue (excl. SBC)	\$134.4	\$120.5	\$156.0	\$55.1	\$50.8	\$39.7	165%
Stock-Based Compensation (SBC)	\$16.9	\$2.0	\$4.1	\$0.0	\$0.0	\$0.0	-
<b>Total Cost of Revenue</b>	<b>\$151.3</b>	<b>\$122.5</b>	<b>\$160.1</b>	<b>\$55.1</b>	<b>\$50.8</b>	<b>\$39.7</b>	<b>198%</b>
Gross profit	\$12.7	\$70.0	\$141.7	\$58.1	\$24.5	\$14.5	-48%
Gain on legal settlements	\$0.0	\$0.0	(\$0.0)	(\$2.6)	\$0.0	\$0.0	-
Gain from sales of digital currency assets	\$11.8	\$2.2	\$4.4	\$0.4	(\$0.0)	\$0.0	NM
Impairment on goodwill and other intangibles	(\$790.8)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-
Impairment of digital currency assets	(\$150.2)	(\$54.0)	(\$24.7)	(\$12.6)	\$0.0	\$0.0	-
Losses on exchange or disposal of property, plant, and equipment	(\$13.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	NM
Operating Expenses:							
Research and Development (excl. SBC)	\$1.6	\$1.5	\$2.3	\$1.6	\$1.4	\$1.2	11%
Sales and Marketing (excl. SBC)	\$1.1	\$1.0	\$1.0	\$0.9	\$0.7	\$0.5	63%
General and Administrative (excl. SBC)	\$19.1	\$18.7	\$12.1	\$7.7	\$4.7	\$3.2	304%
Stock-Based Compensation (SBC)	\$94.1	\$23.8	\$3.8	\$28.3	\$2.1	\$0.6	NM
<b>Total Operating Expenses</b>	<b>\$115.9</b>	<b>\$44.9</b>	<b>\$19.3</b>	<b>\$38.5</b>	<b>\$9.0</b>	<b>\$5.5</b>	<b>NM</b>
Operating (Loss) Income	(\$1,045.4)	(\$26.7)	\$102.2	\$4.8	\$15.5	\$9.0	NM
Total Non-Operating Income (Loss)	\$186.3	(\$397.1)	(\$25.2)	(\$22.2)	(\$18.8)	(\$2.2)	NM
<b>Net (Loss) Income Before Tax</b>	<b>(\$859.1)</b>	<b>(\$423.8)</b>	<b>\$77.0</b>	<b>(\$17.4)</b>	<b>(\$3.3)</b>	<b>\$6.8</b>	<b>NM</b>
Income Tax (Benefit) Expense	(\$48.7)	\$42.4	\$16.5	(\$0.8)	\$0.1	\$0.0	NM
<b>Net (Loss) Income</b>	<b>(\$810.5)</b>	<b>(\$466.2)</b>	<b>\$60.5</b>	<b>(\$16.6)</b>	<b>(\$3.4)</b>	<b>\$6.8</b>	<b>NM</b>
<b>Adjusted EBITDA</b>	<b>\$59.1</b>	<b>\$93.0</b>	<b>\$150.9</b>	<b>\$54.7</b>	<b>\$20.8</b>	<b>\$12.5</b>	<b>185%</b>

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## Condensed Consolidated Income Statement



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## Appendix A

### Reconciliation of Second Quarter Fiscal Year 2021-2022 Adjusted EBITDA

(Unaudited, Thousands)

Three Months Ended June 30,

	2022	2021
Net (loss) income	\$ (810,475)	\$ (3,414)
Adjustments:		
Interest expense, net	27,116	10,846
Income tax (benefit) expense	(48,650)	118
Depreciation and amortization	49,835	3,075
Loss on debt from extinguishment	—	7,974
Stock-based compensation expense	110,998	2,136
Fair value adjustments on derivative warrant liabilities	(22,189)	—
Fair value adjustment on convertible notes	(195,061)	—
(Gain) loss from sales of digital assets	(11,808)	16
Impairment of digital assets	150,213	—
Impairment of goodwill and other intangibles	790,753	—
Losses on exchange or disposal of property, plant and equipment	13,057	17
Gain on sale of intangible assets	(5,904)	—
Restructuring charges	1,445	—
Fair value adjustment on acquired vendor liability	9,789	—
Other non-cash and non-recurring items	(8)	—
Adjusted EBITDA	\$ 59,111	\$ 20,768



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## Appendix B

### Reconciliation of Second Quarter Fiscal Year 2021-2022 Adjusted earnings per share (Unaudited, Shares in Thousands)

Three Months Ended June 30,

	2022	2021
Net (loss) income per diluted share	\$ (2.49)	\$ (0.02)
Adjustments:		
Interest expense, net	0.08	0.07
Income tax (benefit) expense	(0.15)	—
Depreciation and amortization	0.15	0.02
Loss on debt from extinguishment	—	0.05
Stock-based compensation expense	0.34	0.01
Fair value adjustments on derivative warrant liabilities	(0.07)	—
Fair value adjustment on convertible notes	(0.60)	—
(Gain) loss from sales of digital assets	(0.04)	—
Impairment of digital assets	0.46	—
Impairment of goodwill and other intangibles	2.44	—
Losses on exchange or disposal of property, plant and equipment	0.04	—
Gain on sale of intangible assets	(0.02)	—
Restructuring charges	—	—
Fair value adjustment on acquired vendor liability	0.04	—
Other non-cash or non-recurring items	—	—
Adjusted earnings per diluted share	\$ 0.18	\$ 0.13
Weighted average shares outstanding - diluted	324,967	158,890



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